

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7101

BILL NUMBER: SB 214

NOTE PREPARED: Apr 4, 2011

BILL AMENDED: Feb 14, 2011

SUBJECT: State Use of Contingency Fee Counsel.

FIRST AUTHOR: Sen. Bray

FIRST SPONSOR: Rep. Foley

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State.

Summary of Legislation: (Amended) This bill requires an agency to make certain determinations before entering into a contingency fee contract with a private attorney, and requires the Attorney General to publish certain information concerning contingency fee contracts on the Attorney General's web site.

Effective Date: July 1, 2011.

Explanation of State Expenditures: (Revised) *Attorney General:* The bill requires every agency that has hired or employed a private attorney on a contingency fee basis during the calendar year to submit a report to the Attorney General. The Attorney General will compile these reports and submit a comprehensive report to the Legislative Council. The bill also requires that copies of any executed contingency fee contract and payments of contingency fees are to be posted on the Attorney General's web site. These requirements could increase expenditures for the Attorney General, and will depend upon the extent that contingency fee contracts are entered into with private attorneys by agencies.

(Revised) **Additional Information** - The bill limits contingency fee contracts entered into between agencies and private attorneys so that the attorney may not receive aggregate contingency fees that exceed the sum of the following:

- (1) 25% of any recovery that exceeds \$2 M, but does not exceed \$10 M;
- (2) 20% of any part of a recovery that exceeds \$10 M, but does not exceed \$15 M;
- (3) 15% of any part of a recovery that exceeds \$15 M, but does not exceed \$20 M;
- (4) 10% of any part of a recovery that exceeds \$20 M, but does not exceed \$25 M;
- (5) 5% of any part of a recovery that exceeds \$25 M; and

(6) no more than \$50 M, excluding reasonable costs and expenses.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All; Attorney General.

Local Agencies Affected:

Information Sources:

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